I was pleased to join in cosponsoring Senator ROTH's legislation to expand IRAs, and am further pleased that this reconciliation bill incorporates a portion of that expansion.

Senator ROTH's IRA legislation was drafted before the task force began work on S. 883 in the last Congress. But there were several provisions that were original to the task force of which I remain very proud, and I am pleased to see that they have received positive attention from the Finance Committee this year.

First of these is the ''SAFE'' plan for small businesses. This is a new type of defined benefit plan that we worked to devise in concert with others who also perceived the need to make such pension plans more attractive to small business owners. Right now, it is too often the case that it is not in the interest of a small employer to offer such a pension plan. The nondiscrimination rules are too complex, and the small employer may not feel that they can afford the fiscal commitment of such a size, uncertainty, and duration.

The ''SAFE'' plan neatly balances the need of employers to have a simplified pension structure, with the desire to give employees fair treatment and a pension benefit that they can count on. The rules of the ''SAFE'' plan are very simple. Fair treatment is ensured by simply requiring that the employer fund a benefit that is the same percentage of pay for each eligible employee in the shop. If one year's contributions produce a pension benefit equal to 2 percent of pay for the boss, then it's also 2 percent of pay for the employee—extremely simple.

''SAFE'' is a fully portable, fully funded pension plan that will work. It's portable because the contributions are made specifically on behalf of each employee, so it is easy to track how much of a nest egg each has accrued. If that employee moves on, that balance can move on with them with a minimum of difficulty. It's also fully funded—simple rules dictate how much money the employer puts in for each employee in each year. It has to be enough to fund the promised defined benefit. Each year the accumulation in that account is tracked, and if it falls behind the amount that is assumed to be needed using some flexible and reasonable interest rate assumptions, then the employer will have to make additional contributions to make the employee's pension fund ''whole'' again. The employer meets his obligations in a simple and easily understood way, and has no mounting financing problem at the end of the game.

I also note that the ''SAFE'' plan also is an important benefit for longtime employees who have not been covered to date, because it does allow for ''catch-up'' contributions covering an employee's previous 10 years of service. This is a helpful feature because of the assistance it will give to employees who have less time to prepare for retirement.

The Finance Committee proposal also includes several provisions to increase the amount of contributions that can be made to SIMPLE plans or to other pension plans. I am pleased to note that it also includes several provisions championed by our task force that would benefit small businesses and the self-employed in particular. For one, it would equalize the treatment of self-employed and larger businesses with respect to loans taken from pension plans. Right now, the self-employed, subchapter S owners, partners, sole proprietors, cannot take loans from their pension plan as can larger businesses, and this puts them at a competitive disadvantage. Our proposal to correct this inequity is included in the Finance Committee bill.

We also included a proposal that would remove a disincentive for the self-employed to make matching contributions to their pension plans, and no longer counting such matching contributions towards the annual 401(k) contribution limit. I am pleased that a version of this proposal is also included in the Finance Committee package.

I am also pleased to see the number of provisions included in this legislation aimed at addressing the problem of inadequate retirement income for women, who make up the vast majority of our impoverished elderly population. Our task force considered our women's equity provisions to be so important that we introduced them separately in the last Congress as the WISE, Women's Investment and Savings Equity bill.

Some of the provisions of WISE were included in last year's reconciliation package, including the liberalization of rules governing contributions by homemakers to IRAs.

We also included another provision aimed at giving stay-at-home spouses a chance to ''catch-up'' on pension contributions if staying at home to care for a child interrupted their past contributions. We offered a provision allowing ''catch-up'' opportunities for individuals who had taken maternity or paternity leave. The Finance Committee bill also includes a ''catch-up'' provision. Though not specific to the case of families caring for children, the provision providing for larger IRA and pension contributions once the individual reaches the age of 50 is intended to serve the same purpose—to recognize that individuals often do not have as much money to put aside in saving until their children are out of the nest. Giving parents a chance to ''catch up'' for these lost opportunities is a family-friendly reform.

I continue to believe that allowing ''catch-up'' contributions for individuals who missed out on pension contribution opportunities specifically because of child-rearing is an important idea, which I may still wish to pursue. But I am pleased to see the provision in this legislation and to recognize the chairman's effort to serve the same end.

Finally, a number of other reforms that I and the rest of the task force have sponsored in the past also appear in this bill—including important portability provisions that would allow individuals in public sector employment plans to take their pension benefits with them when they join a private employer. The current situation is an artifact of the undue complexity of our pension law, and the incompatibility of public and private pension regulations that has interfered with such portability until now. Public employees are often afraid to leave public positions because they do not know whether their pension benefits will travel with them, especially once it has accumulated to a significant amount that is critical to their retirement plans. Everyone's interest will be served by allowing these accumulations to roll over into other types of plans.

I simply close by again thanking the chairman for the level of attention that he has given to retirement saving in the Finance Committee mark. As the chair of the Republican Task Force on Retirement Security, I find it gratifying to see that the chairman placed such a high priority for these needs among the competing objectives that Senators brought to crafting this tax bill. I hope that indeed ''the time has come'' for many of these provisions on which we have worked so hard in the past, and I hope that they will be supported throughout this reconciliation process.

I thank my colleagues, and I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I raise a point of order that section 1502 of the bill violates the Budget Act.

Mr. ROTH. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 313(b)(1)(e) of the Budget Act for the consideration of S. 1429, and any conference report thereon, amendments between the Houses, and any amendments reported in disagreement.

I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I yield myself such time as I may use.

Mr. President, the point of order against section 1502 is made necessary by the antiquated provision of the Budget Act where provisions were drawn to function in an era of deficits.

Even though the Senate instructed the Finance Committee to cut taxes, almost everyone understood those instructions to mean the tax cuts would be permanent.

Nevertheless, we must contend with the language of section 313(b)(1)(e) of the Budget Act which forbids any reconciliation bill from achieving a net reduction in revenue beyond the 10 years for which the committee was instructed.